SECTION 1

Overview
**What is advance financial care planning?**

If something unexpected happened to you, having a person you trust who can step in to help manage your bills, investments, income, property, and debts is important.

Advance financial care planning will help protect your money from fraud, exploitation, and costly financial mistakes.

This workshop will introduce you to the steps of advance financial care planning and get you started on making a personalized plan.

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**The Thinking Ahead Roadmap is here to help!**

[thinkingaheadroadmap.org](http://thinkingaheadroadmap.org)
Here is what we will cover in this workshop

1. Why advance financial care planning is important
2. How to pick someone you trust to be your financial advocate
3. How to organize your finances
4. Tips for beginning conversations about future money management
5. How to give your financial advocate the legal authority to help
6. Learning when to involve your financial advocate
7. Working closely with your advocate over time

Lois’s Story
When Lois’s spouse passed away, she was left to take over the household financial responsibilities. Unfortunately, her spouse never went over their bills with her. Lois forgot to pay off their credit card bill and neglected to pay her insurance premiums. The reminders had gone to her late husband’s email account. Months later, when her granddaughter came to help, she was surprised to find that Lois lacked coverage after a water leak that damaged the basement. Lois owed more than $1,000 in interest from an unpaid credit card balance.
Cynthia’s Story
After Cynthia retired, her husband Max began to work more closely with her on managing their accounts, paying bills, and going over their insurance coverage. When Max had a stroke, Cynthia stepped in and made sure that all of his medical bills were paid and also fought unfair charges with Max’s healthcare provider and insurer. Because she was named as Max’s agent under power of attorney, she was able to use money in Max’s retirement account to help pay for his care.

Activity: Pair & Share

Step 1: Select a conversation partner sitting near you.

Step 2: Take turns responding to the following prompt (3 min each):

Who in your life didn’t take the necessary steps to protect their money as they got older? What were the consequences? What could they have done early on to prevent these consequences?

Step 3: Volunteers share what they discussed with their partner with the broader group.
Why might people need help with financial decisions as they age?

• Physical health issues such as a stroke, major surgery or illness that requires a long recovery and limits hearing, seeing, or getting around
• Cognitive issues such as Alzheimer’s disease or any other type of dementia
• Loss of a spouse who usually made financial decisions or paid the bills

Did you know?

1 in 5 people age 75-79 have mild cognitive impairment or dementia. Money management is typically the first cognitive ability affected by aging
Despite lower financial literacy, confidence remains high

Confidence in one’s ability to properly manage money, credit, invest, and insure.

Percent of financial literacy questions answered correctly.


Advance financial care planning reduces risks

1. Reduces opportunities for fraud and exploitation
2. Reduces the chance of poor financial decisions
3. Eases the burden on future financial decision-makers by giving them instructions
4. Increases the chance that your financial needs and expectations are honored by those you trust
What does advance financial planning entail?

1. Select a trusted financial advocate
2. Get finances in order
3. Start an open conversation
4. Share what matters most about your money needs
5. Make it official by getting a POA
6. Plan to transition money management responsibilities

Words of wisdom

1. Planning is a PROCESS
2. Planning steps may happen out of order
3. Creating a solid plan does not require spending a lot of money on legal advice, but it will take time
Why do older people plan?

- Peace of mind: 38%
- Family harmony: 13%
- Financial protection: 16%
- Avoid being a burden: 23%
- Autonomy and control: 10%

Activity: Group response

1. Why is advance financial care planning important to YOU?
2. What do you hope to gain by attending this workshop?
SECTION 2

Picking your financial advocate

What is a financial advocate?

A financial advocate is someone you would trust to assist you with money management tasks if you couldn’t handle these tasks on your own.
There are many tasks that your financial advocate may help you with:

- Manage your day-to-day expenses
- Pay your bills on time
- Monitor your online accounts
- Pay back money you owe
- Oversee and help with investment decisions
- Navigate insurance policies and filing claims
- File and pay your taxes
- Manage your property
- Apply for public benefits
- Donate to charitable causes that matter to you

Activity: Group response

It’s a big role, so you want to pick the right person...

What qualities should you look for in a financial advocate?
Activity: Group response

Look for these positive qualities
- Trustworthy
- Organized
- Understands your needs and what is important to you
- Reliable
- Available to help
- Smart decision-maker
- Good communicator
- Good listener
- Puts your needs first
- Financially savvy

It's a big role, so you want to pick the right person...

What qualities should you avoid in a financial advocate?
**Activity: Group response**

**Avoid these characteristics**

- Dishonest or secretive
- Doesn’t pay bills on time
- Faces personal legal or financial troubles
- Has a serious mental health or addiction issue(s)
- Likes to gamble
- Owes money
- Has a strong sense of entitlement
- Doesn’t get along with the people who matter to you

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**Financial advocate myth busters**

**Myth:** “I can only pick ONE financial advocate.”

**Reality:** Actually, having an alternate financial advocate is a smart idea. Your alternate advocate can take over if your primary advocate becomes unavailable. Just don’t pick everyone in your family to avoid hurt feelings. Then no one will know who you really want to be in charge.
Financial advocate myth busters

Myth: “I don’t need a financial advocate because my spouse will manage our money if anything happens to me.”

Reality: Although your spouse may be the best choice now, you may outlive them or they may not be able to help with your finances because of a serious health issue. This is why it is so important to choose an alternate financial advocate in addition to your spouse or partner.

Words of wisdom

1. It is okay if you don’t know anyone who has all of the positive qualities. The most important things are that they are trustworthy, available, and will put your needs above their own.

2. It’s best to have either your primary or alternate financial advocate be younger in age than you.

3. You don’t have to pick your oldest child or the family member who lives closest to you. Pick the person who is most qualified for the job.
Activity: Worksheet

Who do you want to be your financial advocate?
Complete the first worksheet to help you think through who your first choice is for a financial advocate and who you would like as an alternate or back-up advocate.

Activity: Pair and share

Step 1: Select a conversation partner sitting near you.
Step 2: Take turns responding to the following prompt (3 min each):
Who are you considering asking to be your financial advocate? What makes you want to pick this person or people?
Step 3: Volunteers share what they discussed with their partner with the facilitator and broader group.
What if no one you know is right for this role?

If you have no options in your family or social circle, you may consider hiring someone. Here are some professionals that may provide money management services for a fee:

- Daily Money Manager
- Certified Public Accountant
- Care Manager
- Bookkeeper
- Professional Fiduciary
- Trust Officer

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Inventory should include all your financial information

1. Financial accounts
   - Banks, insurance companies, credit unions, retirement plans, etc.

2. Living expenses & regular bills
   - Utilities, subscriptions, property taxes, insurance premiums, etc.

3. Loans
   - Mortgage, credit card, etc.

4. Household service providers
   - House cleaning, gardening, etc.

5. Professional advisors
   - Doctors, accountant, financial advisor, insurance agent, lawyer, etc.

6. Sources of income
   - Social Security, pensions, annuities, investment income, withdrawals from savings, etc.

7. Real estate and personal property
   - Home, investment property, cars, art, jewelry, etc.

8. Utilities
   - Electric, gas, phone, internet, trash, cable, etc.

9. Insurance payments
   - Medicare, health insurance, life insurance, etc.
Your inventory should include...

- Name of financial institutions/insurance companies
- Location and contact information of agent/banker/advisor
- Account number(s)
- Account value(s), if applicable
- Regular payments, if applicable
- Usernames and passwords, if applicable
- Date you last updated your inventory

Financial Accounts

<table>
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<tr>
<th>Account type</th>
<th>Account provider</th>
<th>Account #</th>
<th>Contact information</th>
<th>Online account?</th>
<th>Notes</th>
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Where should you keep your inventory?

- **Online**

  Store financial information online in a password-protected cloud storage account using tools like Google Drive, Dropbox, OneDrive, or iCloud.

  **Pros**
  1. Accessibility: You can access it anywhere as long as you have a computer or a smartphone with internet access.
  2. Security: Most cloud storage companies have extra features to protect your information.

  **Cons**
  1. Advocate needs to know your password to access the information.
  2. May need to pay for cloud storage.
  3. Some learning is required.

- **Paper**

  Store a hard copy of your financial information in a locked file drawer or safe.

  **Pros**
  1. No learning necessary.
  2. Does not require any digital device to access.

  **Cons**
  1. Greater risk of theft, fire, and water damage. You could also lose the key or forget the combination to the safe.
  2. Advocate must have access to the key or know the combination.
  3. You can't access or edit the information if you are away.
Words of wisdom

- Use direct deposit for income sources
- Use automatic payment for regular bills
- Close unnecessary accounts
- Apply low limits on credit cards
- Set up account alerts to prevent fraud or identity theft
- Protect accounts that are managed online
- Account lockdowns

SECTION 4

Start an Open Conversation
Talking about money and future financial decision making can feel like the hardest step

However, open conversations are critical.

Open conversations help...
...your financial advocate understand and accept their role
...clarify your financial needs and goals
...clear up misunderstandings
...make it more likely that your financial values are reflected and needs are met in the future

How do you begin?

It’s best to find a time when you’re alone with your financial advocate and no one feels rushed or distracted.

The first conversation is really about getting confirmation from your financial advocate that they are open to help.
Activity: Worksheet

First, consider what’s important to you...
Completing the financial values quiz and discussing your responses will help you and your advocate better understand your financial values and goals. But remember that your needs and circumstances may change as you age.

The four “Ws”
Visualizing and planning the conversation will help you get started.

WHO should be there?
WHEN do you plan to have the conversation?
WHERE should the conversation take place?
WHAT do you plan to say?
Conversation starters you might try

"Given all the uncertainty in the world today, I’ve been thinking about the future and who can help keep an eye on my money if I couldn’t manage it on my own."

"Do you remember how hard it was for so-and-so to take care of so-and-so’s money when they got older and couldn’t manage anymore? Well I would never want to put you in that position."

“I really respect your work ethic and how well you’ve done with your own finances. That’s why I’d like to ask if you’d be willing to help me manage my money if it ever becomes too tough for me to do on my own."

“I’m starting to get my affairs in order and I am hoping you can look after my accounts and other money matters if I need help later on.”

Activity: Worksheet

Complete the four Ws worksheet and document what you hope to accomplish from the conversation
Activity: Group response

If they say....

“This is depressing. I don’t want to think about you getting older.”

Activity: Group response

You might say...

“It might be hard to talk about it at first, but having this conversation now will make things easier down the road. It will make me feel better to know that I can count on you.”
Activity: Group response

If they say….

“Do we have to talk about this now? I have a lot of other things on my mind.”

Activity: Group response

You might say…

“We can pick up the conversation later when you have less on your mind. But this is important, so let’s put a date and time on the calendar to sit down and talk.”
What do you hope to accomplish?

In the first conversation, you should get confirmation from your preferred financial advocate that they are willing and up to the task.

You may also want to share:

- Where your financial inventory is stored
- How to access it
- Special requests for how you want your money to be used

Give them a copy of “What you need to know as a financial advocate” available on the website.

It’s okay not to share everything during the first conversation

You can save details about your accounts, debts, and other legal and financial information for a future discussion.

Later on, you’ll want to walk your advocate through the financial inventory you created.

You may want to communicate to other family members your decision about who will be your primary and alternate financial advocates.
Activity: Role play

Step 1: Select a conversation partner sitting near you.
Step 2: Take turns role playing the start of a conversation between you and your financial advocate:

Set the scene—Where is the imaginary conversation taking place? Who is present? What are you going to say? How might others react?

Step 3: With the group, describe how it felt to role play the conversation. What came up for you and for your conversation partner? What did you learn?

SECTION 5

Make it Official
Why do I need to give my advocate legal authority?

- To get important tasks done: pay bills, make withdrawals, manage money and property
- So that banks, brokers, retirement plans, and others will recognize that your advocate can act for you
- So that no one will have to go to court and get a guardian appointed for you, which is expensive, public, and you don’t get to pick your person

What’s a financial power of attorney (POA)?

- A POA is a legal document that gives someone else the legal right to make decisions about your money and property.
- You are called the “principal” and your financial advocate is called your “agent”.
- You can name an alternate to take over if the primary agent becomes unavailable.
Activity: TRUE OR FALSE

TRUE OR FALSE???

You don’t need a power of attorney (POA) if you have a will.

ANSWER: FALSE!

A power of attorney allows someone to manage your money while you are alive, while a will specifies how you want to pass along your money and property after you die.
Activity: TRUE OR FALSE

TRUE OR FALSE???
If you add your advocate to your accounts, you don’t need a POA.

Answer: FALSE!

Joint accounts can be right for some situations but they don’t take the place of a POA or other legal arrangements. You will likely have other money and property that needs to be managed. And joint accounts have some risks.

Activity: TRUE OR FALSE

You don’t need a power of attorney (POA) if you just add your advocate to your accounts.

Answer: FALSE!

Joint accounts can be right for some situations but they don’t take the place of a POA or other legal arrangements. You will likely have other money and property that needs to be managed. And joint accounts have some risks.
TRUE OR FALSE???
You can change or revoke your POA at any time.

ANSWER: (MOSTLY) TRUE!

As long as you still can understand what it means to change or “revoke” the POA, you can change what’s in the document or cancel it anytime.
Activity: TRUE OR FALSE

TRUE OR FALSE???
You can download a standard POA from the Internet and don’t need to see a lawyer.

Activity: TRUE OR FALSE

You can just download a standard POA from the Internet and don’t need to see a lawyer.

ANSWER: Sort of TRUE, sort of FALSE!

The most important things are to have a POA document that meets your state laws and does what you need it to do. Be cautious about “one size fits all” forms. Hiring a lawyer does not need to be complicated or expensive.
Your POA must meet your state’s legal requirements.

Activity:  TRUE OR FALSE

TRUE OR FALSE???
Your POA must meet your state’s legal requirements.

ANSWER: TRUE!

Your state’s requirement might say that you need the document witnessed or notarized, or signed by your agent. Your state’s laws might specify what powers you can give your agent and whether you must use special wording.
Words of wisdom

• A POA should be “durable,” meaning your advocate can act for you even when you can no longer make decisions on your own.
• Your advocate only gets the powers you give them—and you can specify whether the POA goes into effect now or later.
• Your advocate has a legal duty under the POA to act in YOUR best interests. This is called “fiduciary duty.”

Trust, but verify!

Build in ways for other trusted people to see how your advocate is managing your money and property.

Options to put in your POA:

1. Require your advocate to “open the books” to another trusted person.
2. Require a second signature for large transactions.

These are ways to include others in your family or social circle.
How can I get a POA? Here are some options:

- Hire a lawyer -- call a few to see what they charge and what their specialties are
- Get free legal services if you are eligible
- Employers may provide low-cost legal services
- Online services may be free or low-cost—but beware of “one-size-fits-all” forms

Resources for Getting a Power of Attorney

- **Free legal services for people over age 60**
  Find local programs that provide free legal help to people over age 60 by contacting the national Eldercare Locator.
  1-800-677-1116
  [www.eldercare.acl.gov/](http://www.eldercare.acl.gov/)

- **Free legal services for those with modest income**
  Find local programs that provide free legal help to income eligible people on the website of the Legal Services Corporation.
  [www.lsc.gov/find-legal-aid](http://www.lsc.gov/find-legal-aid)

- **Fee-for-service lawyers**
  This is a web page sponsored by the American Bar Association. It provides information about how to find a lawyer in each state. It also has information about legal resources available in each state, how to check whether a lawyer is licensed, and what to do if you have problems with a lawyer.
  [www.findlegalhelp.org](http://www.findlegalhelp.org)
Help your advocate help you!

This handout explains your financial advocate’s duties under a POA. Give them a copy to make their job easier!

What you need to know as a financial advocate

Your friend or relative has chosen you to be their financial advocate. Kudos on taking on this helpful and meaningful role! They have made or will make it official by naming you as an agent under a power of attorney (POA). Here is some basic information to get you started, and pointers about your legal and ethical duties as an agent under a POA. For this document, let’s refer to your friend or relative as Maria.

thinkingaheadroadmap.org/downloads

SECTION 6

Planning a Smooth Transition
**Advantages of a gradual transition**

- You have a longer runway to plan and share important information
- It is less stressful for all people involved
- There are fewer chances for financial losses to occur
- You can give your advocate time for a “test drive” and see how they manage a financial task or two

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**What could a gradual transition look like?**

1. Begin planning steps *before* there is a need for help
2. Simplify your finances
3. Agree on an “early warning system” ahead of time
4. Share your financial inventory with your advocate(s)
5. Hold an annual meeting to review finances and any changes
6. Begin sharing tasks
How will you know it’s time to transition financial responsibilities?

Plan an early warning system

- Blazing Red Emergency Signals
- Yellow Caution Light Signals

Activity: Group response

What are some signs that an urgent transition is needed?

- Diagnosis of dementia or serious medical condition
- Doctor, lawyer, accountant expresses concern
- Death of a spouse/partner, survivor unable to take over
- Serious financial or safety mistakes
- Significant financial losses from fraud or scams
- Easily lost when walking or driving
- Credit card charges you don’t remember
- New “friends” appear and obtain account access
Activity: Group response

What are early caution signs that suggests it’s time to start a gradual transition?

• Needing caregivers
• Don’t feel safe driving
• Spending more time alone
• Neglecting common tasks
• Forgetting to pay a few bills
• Not returning phone calls or emails
• Neglecting hobbies or interests
• Trouble doing business on computer or phone

Activity: Pair & Share

Step 1: Select a conversation partner sitting near you.

Step 2: Take turns responding to the following prompt (3 min each):

PROMPT: Did you have older relatives or friends who needed help? What were the signs? Who noticed the signs? Did the older person resist or deny that the signs were present?

Step 3: Volunteers share what they discussed with their partner with the facilitator and broader group.
What is your transition plan?

1. Who should be in your convoy of support?
2. What could be your early warning signals?
3. Which money or property management tasks might be transitioned first?
Where we’ve been/where we’re going

You’ve learned…
• Why it’s so important to plan for your financial future and to select a financial advocate
• The six steps in the advance financial planning journey

What’s next?
• It’s important to start now
• We’re all in the same boat (or car) – we can support one another

Activity: Group review

1. Before you started this training, how did you feel about advance financial care planning? Did it seem scary or burdensome or confusing?
2. Do you feel differently about it now? In what way?
3. When you look back over these sessions, what is one key thing you remember?
4. What, if anything, still seems challenging?
5. Do you have any remaining questions?
Reminders

• There is more helpful content available on the Thinking Ahead Roadmap website: thinkingaheadroadmap.org
  • Everything on the website is downloadable and printable
• Share the handouts with your advocate and others
• Revisit your advance financial care plan—and your selection of your advocate—whenever you have major life changes, or periodically even without big changes

Happy planning!

Thank you for participating